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TAGS: PGOV PREL PTER PINR KDEM PHUM BL

SUBJECT: VICE FM: BILAT RELATIONS COULD GET WORSE

REF: LA PAZ 2203

Classified By: CDA Kris Urs for reasons 1.4 (b)(d)

11. (C) CDA and A/DCM met with Vice Foreign Minister Hugo Fernandez October 15 to discuss the state of bilateral relations. Fernandez rejected the notion that the relationship had bottomed out, stating that relations "could get worse" as the government evaluates the merits of continuing bilateral cooperation with USAID, NAS, and DEA.

We Don't Need USG Assistance "Control and Conditions"

- 12. (C) Fernandez said a review of USG cooperation was underway, but that no decisions would be made for at least six months after a new U.S. Administration has settled into office. Fernandez stressed that the government was fundamentally opposed to what he described as paternalistic cooperation with the United States which he complained lacked sufficient Bolivian "control" and which attached onerous "conditions" for the Bolivian government. Fernandez could not or would not elaborate on specific conditions he was referring to or controls the Bolivian government should retain. Fernandez opined that perhaps the relationship would benefit from canceling USG foreign aid and counter-narcotics cooperation in order to "start over," as many government officials could continue to harbor suspicions about the USG as long as USAID and DEA maintained a presence in Bolivia.
- 13. (C) Fernandez reasserted the government position that its ATPDEA delegation set to testify in Washington October 23 would not be "begging." He said the delegation would simply state the government's case that it is making sufficient progress in counter-narcotics and that the decision to suspect ATPDEA is merely politically-motivated vengeance for President Morale's decision to expel the Ambassador.

Blaming the Victim

14. (C) Although Fernandez was personally skeptical about government charges against the Ambassador, USAID, and DEA, he confirmed genuine and wide-spread concern among government leadership about USG conspiracy. Fernandez offered little sympathy for the Ambassador's expulsion, arguing that the

Embassy should know better than to meet with opposition-affiliated prefects (state governors), which he cited as a principal reason for President Morales' decision to declare the Ambassador persona non grata. "It's not enough to be neutral, you have to be seen as neutral," advised Fernandez. When A/DCM asked if this meant an effective bar on future Ambassadors meeting with opposition leaders, Fernandez replied in the affirmative. He held out the possibility that future Ambassadors could meet with opposition prefects "with the President." CDA and A/DCM replied that meeting with opposition leaders is a globally recognized duty for Ambassadors and not ipso-facto "conspiracy."

Everyone Tramples Institutional Democracy, So Why Can't We

15. (C) Changing topic to the domestic political situation, Fernandez asserted that President Morales' 67 percent win in the August 10 recall referendum provided him a mandate to push his agenda forward. Fernandez noted that this was more than two-thirds of the vote, implying this superseded the congressional requirement for a two-thirds vote of its members to convoke a constitutional referendum or pass similarly contentious legislation. CDA offered that Morales' August victory, impressive as it was, should not give the government reason to suspend constitutionally-authorized legislative roles and super-majority requirements. CDA suggested instead of forcing its will on Congress that the government focus on changing Congress' composition through elections. Fernandez retorted that prior governments had "pulled tricks" similar to the government's penchant for blockading opposition congressmen from attending key votes. He also argued that the opposition has inherently opposed to the government's "change agenda," and would come up with any legality, however weak or out of line with the will of the people, to block it.

## Comment:

16. (C) Fernandez was even more negative than Foreign Minister Choquehuanca during our October 10 meeting. Fernandez has supported continued USG cooperation and improved relations, so we take his comments as an accurate gauge of the government's apparently increasingly negative predisposition toward bilateral relations. Fernandez's justification of use of dubious means to advance the government's agenda boil down to historical complaints that prior governments participated in similarly dubious means to achieve their ends. Fernandez's frank assertion that "now it's our turn" to trample democratic norms and institutions reflects the thinking of the Morales administration and is a bad harbinger of things to come. End Comment.